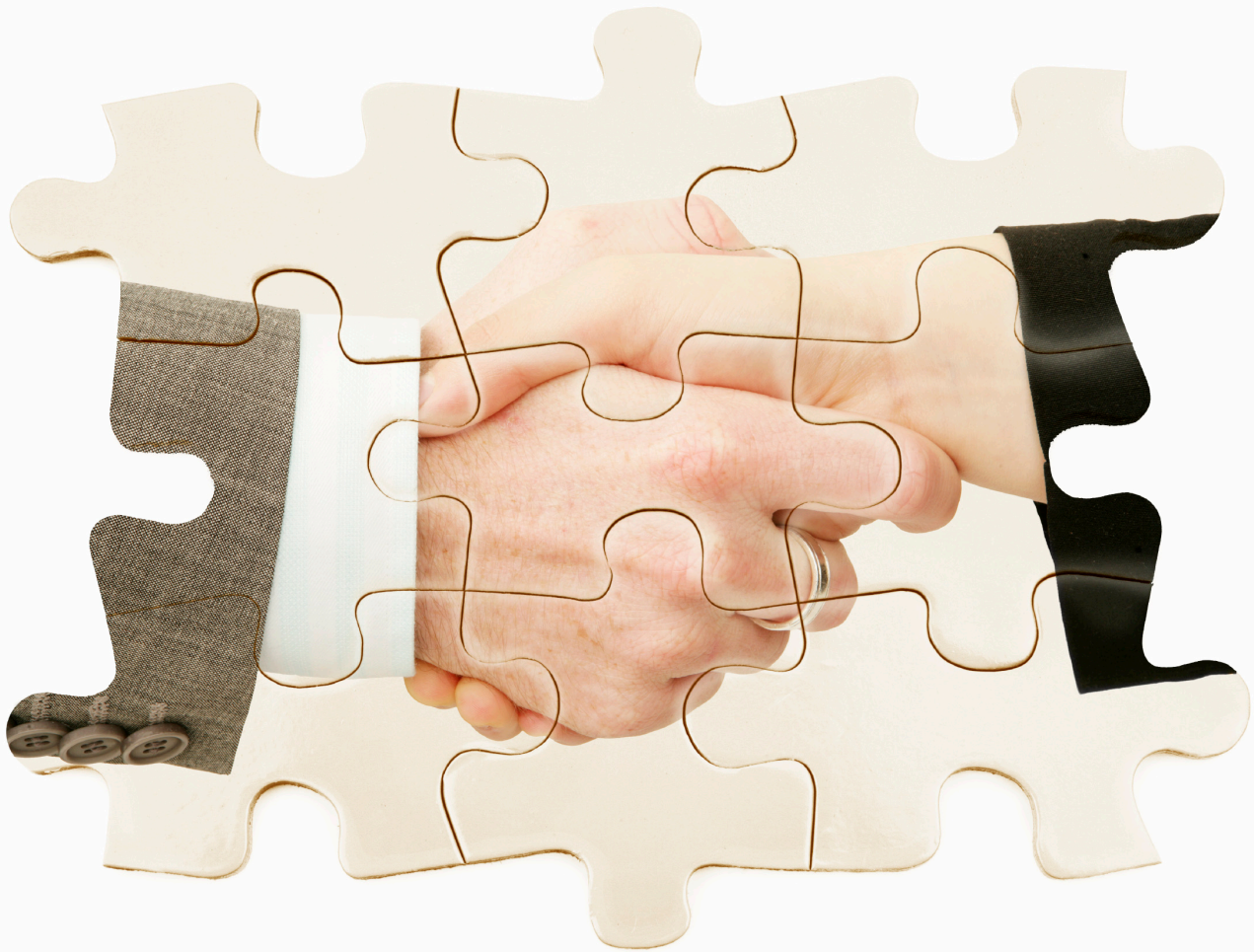


# 12 Reaching Global Executives: Megatrends in B2B Marketing



A special marketing paper for our clients

## Preface

*12 Megatrends in B2B marketing* is an in-depth look at the challenges facing marketing executives across the world. This special marketing paper was compiled by the Economist Intelligence Unit's sales and marketing team, drawing on a survey of our clients and other organisations active in B2B marketing. The conclusions outlined in this report are based on our annual marketing survey as well as our own experience in offering B2B marketing solutions. The Economist Intelligence Unit has impressive thought leadership capabilities and works with many clients to meet their marketing objectives.

### Who took the survey?

A total of 136 companies responded to our survey. All were engaged in B2B activities, and generally had substantial international operations. Respondents most commonly had responsibility for operations in Asia Pacific and Western Europe, but executives with responsibility for North America, Latin America, Eastern Europe, the Middle East and Africa were all well represented. The respondents operated in a range of different industries, including technology and telecoms, consulting and legal, finance, media and healthcare. Marketing executives constituted 42% of the sample, followed by sales and business development executives and communications executives. The sample was split evenly between Economist Group clients and non-clients. The survey was conducted in 2006.

Lou Celi, SVP and Publishing Director, Economist Intelligence Unit, and Jeremy Eagle, Global Director of Marketing, Economist Intelligence Unit, conducted the survey and wrote the marketing paper.

March 2007



# 12 Megatrends in B2B Marketing

## A special marketing paper for our clients

**T**he Economist Intelligence Unit conducted an annual survey of business-to-business (B2B) marketing that was designed to identify the challenges that face marketing executives the world over. Our research drew on two main initiatives: an online survey of more than 130 marketing executives from a wide list of B2B firms, including a cross-section of industries, geographical locations and sizes, and views expressed by our clients.

Our position as a leading provider of objective research, publishing and conference services provides a bird's eye view of promotional strategies, objectives and practices. Our survey delivers a number of insights across a range of sponsorship activities and media.

Specifically, our survey reveals that sponsors and advertisers are:

- shifting dollars away from single-media promotion in favour of integrated thought-leadership programmes featuring print ads, sponsored research, publications and conferences;
- improving return on investment (ROI) measurement techniques to track lead generation and new business;
- seeking much closer collaboration with partners to find new ways to achieve unique marketing objectives;
- going higher and deeper into organisations, targeting not just decision-makers but also key influencers;



- pursuing a broad range of target company sizes;
- more closely integrating marketing strategy, messaging and media
- still relying on advertisers and public relations (PR) firms—but expecting their capabilities to evolve to meet their changing needs;
- placing greater emphasis on selling globally, particularly in emerging markets—and to companies domiciled in emerging nations;
- exploring new media—with high growth from Web 2.0 initiatives on the horizon;
- increasingly outsourcing their research and conference activities.

The following paper examines these megatrends, investigates the differences between key industry segments, and outlines how the Economist Intelligence Unit can help executives meet their promotional objectives.



# 1

MEGATREND ONE

## The shift to 360° thought leadership

**A**sks to rate the value of various marketing activities on a five-point scale, meetings/conferences and research/surveys top the list.

Today B2B providers view a broad array of sponsored programmes, such as conferences and white papers, as a valuable means of capturing attention and persuading decision makers.

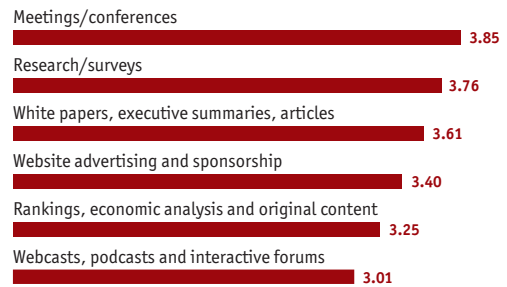
This is not to say that traditional advertising has lost its appeal. Instead, the conclusion is that organisations seeking to promote their businesses are increasingly relying on a range of channels, including print.

Specifically, these cross-channel programmes engage, inform and motivate target markets across a broad range of both active (meetings, webcasts,

user communities) and passive (print) promotional channels.

The way forward is clearly a heavier reliance on creating a programme of thought leadership that takes advantage of multiple-entry-point messaging.

### 1. How important are the following non-traditional categories of marketing activity to your organisation? (Mean score out of 5)



Source: 2006 sponsors survey (134 respondents)

# 2

MEGATREND TWO

## The ROI imperative

**S**ponsorship and print-based promotion are known to deliver the intangible benefits of product awareness, brand recognition and the establishment of thought leadership.

While these remain critical objectives, the survey demonstrates that marketing and advertising professionals want something more from their promotional investments: they want tangible returns.

Indeed, when asked their top overall sponsorship objectives, respondents cited the concrete goals

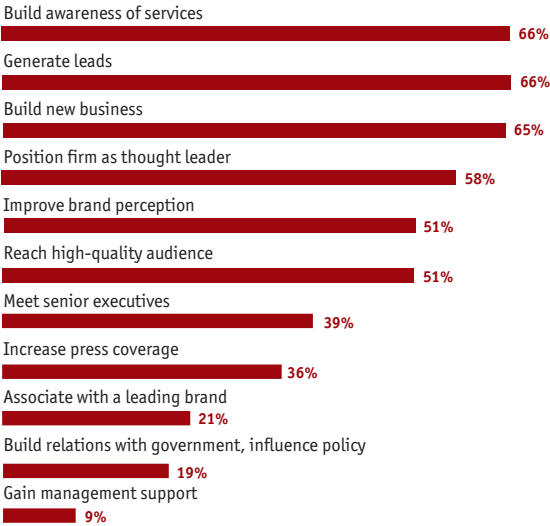
of generating leads, building new business and awareness of services. The study turned up many examples of this trend toward more measurable ROI. For instance, one well-known high-technology consulting firm now takes a systematic approach to determining the ROI of events by measuring the number of leads from a sponsored meeting, the number of subsequent one-on-one sales calls and the size of the business actually generated.

Although sponsors are increasingly stressing



tangible benefits, qualitative objectives are important to firms in certain circumstances. Examples: a company seeking to improve a tarnished image in the marketplace or a technology firm seeking to showcase an area of managerial expertise.

**2. What are your top sponsorship objectives?**



Source: 2006 sponsors survey (134 respondents)

**“Me too” sponsorship on the wane**



Our experience shows that sponsors today aren't looking merely to pay a fee in exchange for brand association with a multi-sponsor conference, research report or website. As the marketing director of a professional service firm asserted, “We do not want ‘bimbo sponsorship’ where we just pay money to get our name on an event. We want a well-thought-out programme that

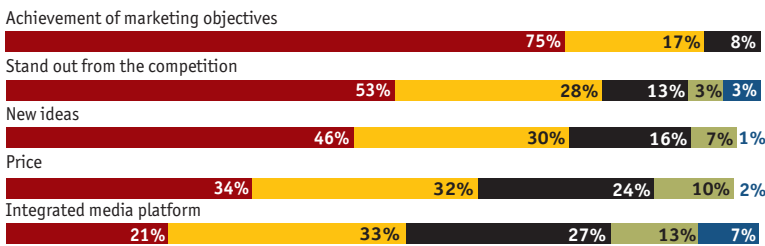
presents us uniquely in the marketplace.”

The trend towards more tailored programmes is borne out by the survey. For example, asked what they look for in choosing a media solution, respondents cited three key objectives: achievement of marketing objectives; standing out from the competition; and the generation of new ideas. Of course, these goals can only be achieved through active collaboration between sponsors and their media partners.

Of particular interest, we note that if a media relationship is able to deliver on the top-three criteria, price becomes less of an issue. In short, sponsors are willing to pay a fair price in order to achieve their objectives and to differentiate themselves from their competition.

**3. How important are the following in choosing a media solution?**

(Numbers are rounded to nearest tenth)



1 Very important 2 3 4 5 Not important





# 4 MEGATREND FOUR

## Going higher and deeper into organisations

**B**2B companies are pushing higher and deeper into client organisations, and they are becoming more expert at targeting relevant key functions in both the senior and mid-levels of management.

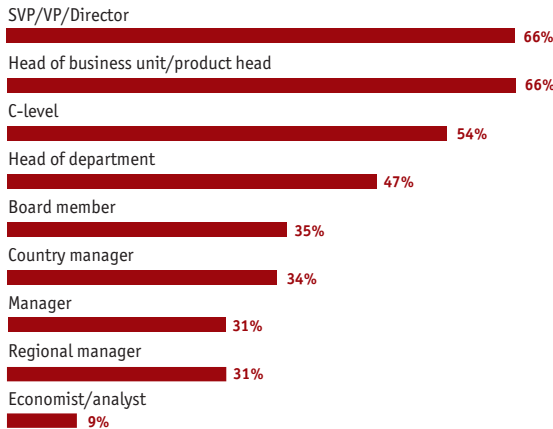
For example, the survey indicates that promotional strategies are targeting executive decision makers,

(47%), finance (42%), information technology (IT) (37%) and strategy/business development (36%).

In addition, they are also targeting specific job functions such as procurement (33%), supply-chain management (27%), human resources (26%) and risk management (23%). The rising emphasis on procurement is in line with the greater role that this function plays in many firms.

There are some interesting industry trends. For instance, professional service firms differ most from the norm and focus mainly on the upper echelons of management in large multinational organisations. Technology firms, on the other hand, are interested in a broader set of titles.

### 4a. What level executive are you targeting in your B2B marketing?

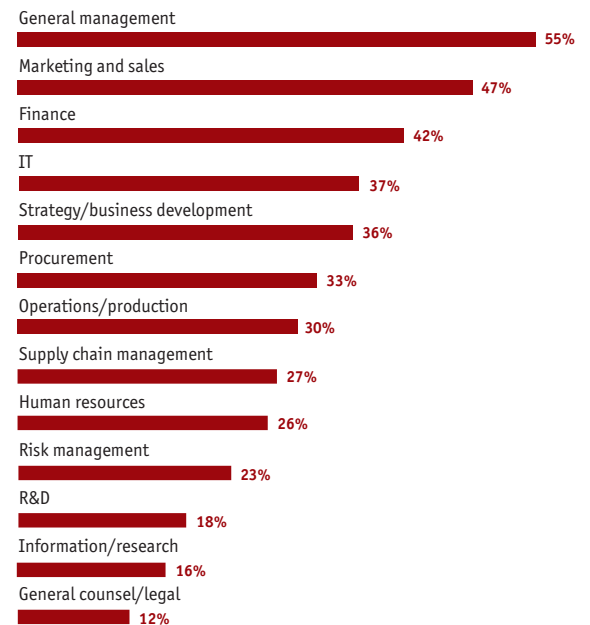


such as business unit heads and senior vice-president/vice-president/director, in addition to department heads, C-level/senior executives and board members. However, companies are also going down the hierarchy to country managers (34%), managers (31%) and regional managers (31%).

While many managers are influencers, B2B marketers have a bias towards mid- to upper-level executives, who are more likely to drive actual purchases.

Survey respondents are also moving across a broader range of activities within organisations. For example, the top-five functional targets include general management (55%), marketing and sales

### 4b. What job functions are you targeting?





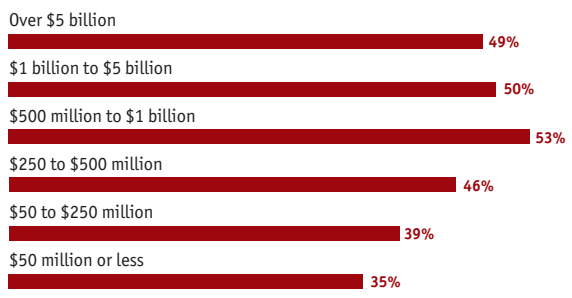
# One size does not fit all

## MEGATREND FIVE

In terms of size, survey participants are pursuing a surprisingly diverse range of companies. Although B2B firms tend to target the largest organisations, they are increasingly pursuing smaller ones.

In short, the survey demonstrates that B2B companies see pockets of opportunity in virtually every size-based demographic.

5. What size company does your organisation want to reach through its marketing over the next year?



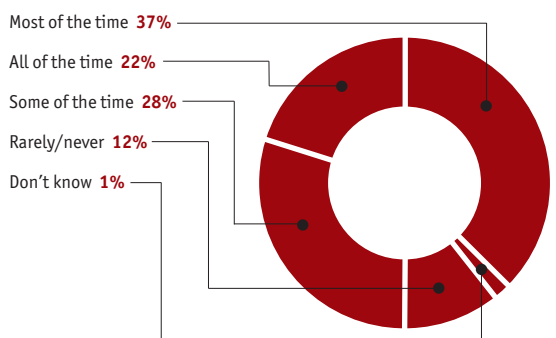
# Integrated marketing on the rise

## MEGATREND SIX

Consistent with the growing importance of 360° thought leadership, sponsors are integrating the management and budgeting of their worldwide promotional activities.

For example, asked to what extent they manage their promotional strategies on an integrated basis, 59% say they do so most or all of the time. Additionally, over half, 52%, say that the ability to provide an integrated media platform is important to their process of selecting media partners.

6. To what extent does your organisation manage/budget marketing on an integrated basis?





# 7 MEGATREND SEVEN

## The changing role of advertising and PR

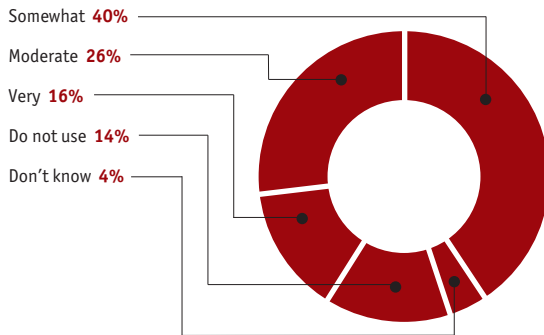
As companies move towards greater integration of a wider range of promotional activities, advertising agencies and PR firms still exert considerable influence.

For example, in terms of their role in selecting and managing sponsorship programmes, 13% describe advertising agency and PR firm influence as very significant, and 21% as moderate. About one-third of companies, 34%, describe advertising agencies as “somewhat” influential.

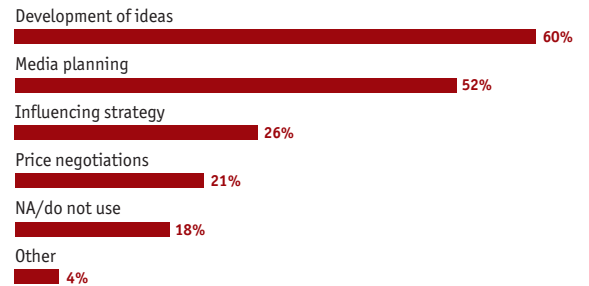
Advertising agencies and PR firms aren’t so much driving the trend towards integrated promotion as they are being positioned as specialist suppliers.

Advertising agencies and PR firms are more involved in helping to come up with ideas and planning out the multi-channel campaigns, and are less involved in price negotiations and the formulation of strategy. As the dynamics of B2B marketing evolve, so too must the capabilities of advertising and PR firms.

7a. How influential are advertising agencies and PR firms in selecting and managing sponsorship programs?



7b. What role do advertising agencies or PR firms play for your organisation?







## The allure of emerging markets

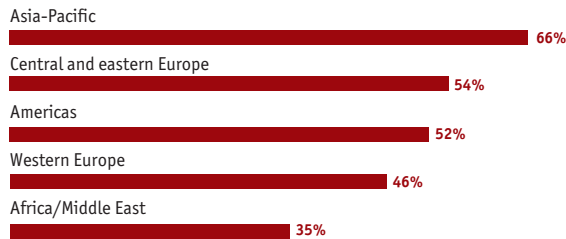
# 8

MEGATREND EIGHT

The geographic demographics of today will bear little resemblance to those of the next ten years. We predict that by 2017 China will become the world's largest economy when growth is measured on purchasing power parity. Growth rates in emerging markets are two to three times those of developed economies.

Accordingly, our clients are already thinking in terms of positioning themselves for the changing world marketplace. For example, in terms of geographic prioritisation, the survey shows that for 2006, sponsoring organisations are targeting Asia and central/eastern Europe more than the Americas and western Europe.

### 8. In which markets will your organisation work to build its business and professional exposure over the next year?

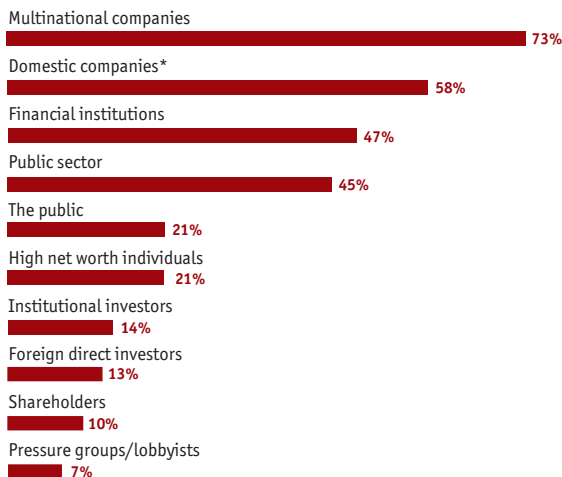


## A new marketing opportunity: Domcoms

# 9

MEGATREND NINE

### 9. Which customer segments will you pursue?



\*in emerging markets

Established multinationals remain the top priority for our clients. Nearly three-quarters (73%) cite this category as a primary target.

However, there is a growing belief that the high-flyers of the next decade will arise from the ranks of today's domestic companies (domcoms) in emerging markets. At 58%, this category achieves second position even over such traditionally favoured prospects as financial institutions (47%) and the public sector (45%).



# 10

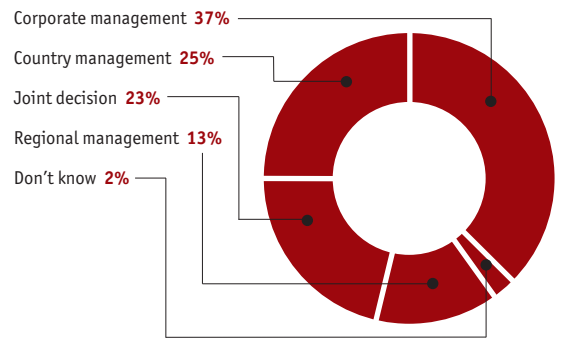
MEGATREND TEN

## The global decision matrix

**I**ntegrated global marketing campaigns are complicated and frequently require complex decision matrices, especially in accounting and consulting firms. Our survey shows that decisions can be made at different levels and often need to be jointly agreed. Many marketing directors recognise that global decisions made at corporate headquarters without the support of local management can lead to poor results.

The survey indicates a slight bias toward centralised sponsorship and promotion decisions (37%). However, the results are mixed: 25% make the decision at the local level; 13% at the regional level; and 23% decide jointly.

10. Who at your organisation typically makes decisions on sponsorship and advertising?



## Choosing A Provider The Economist Intelligence Unit

**T**he survey\* shed light on the relative quality and value of various providers of conference, research, publishing and promotional services. In terms of quality and value, and meeting sponsorship/research objectives, the Economist Intelligence Unit scores highly in the view of survey participants.

Asked how our brands and associated capabilities compare with the competition in terms of achieving key sponsorship,

\*including a mix of EIU clients and non-clients

research and promotional objectives, we came out at the top. For example, 46% of participants say that we are better in terms

of helping their organisations associate with a leading brand. Forty-three percent say that we are better than the competi-

### How we compare in achieving the following objectives

Objective	Percentage
Associate with a leading brand	46%
Reach a high-quality audience	43%
Meet senior executives	41%
Position clients as thought leaders	37%
Improve brand perception	33%
Obtain press coverage	25%

**Better than the competition**



# New media poised for rapid growth

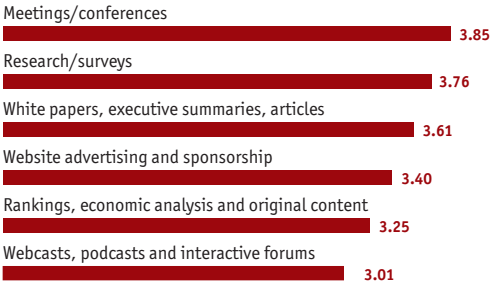
MEGATREND ELEVEN

# 11

The survey shows that website advertising and sponsorship, at 3.4, are becoming more important for B2B marketing. However, new Web 2.0 initiatives—webcasts, podcasts and blogs—have not yet become commonplace. We expect new media to continue to grow in popularity, particularly as a way to build a “community” of executives with common interests.

Consider also the other trends from this survey. Companies want tangible ROI; they seek integration in their messaging and wish to target specific executives. Electronic media can achieve all of these goals. As one marketing director said: “in the future, we will not consider working with a company that has no new media capabilities. As executives increase their use of these web tools internally, we will see the rise of their use externally”.

### 11. How important are the following categories of marketing activity to your organisation? (Mean score out of 5)

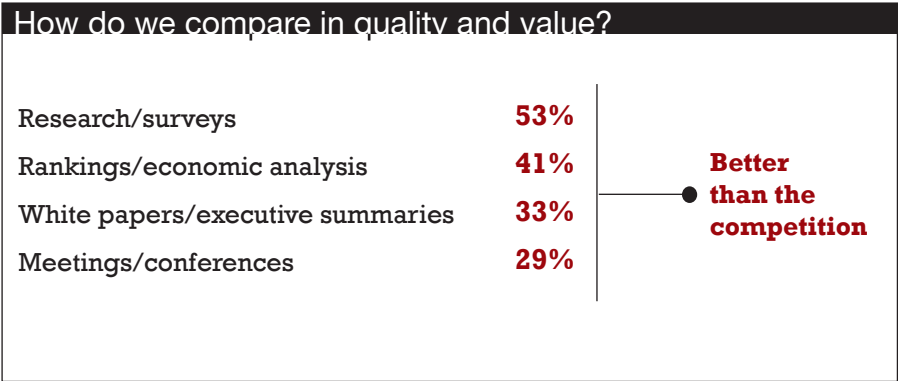


Source: 2006 sponsors survey (134 respondents)

tion in terms of reaching a high-quality audience. Given the strength of our brand, 37% say that we are better than the rest

at assisting our clients in positioning their companies as thought-leaders. Finally, respondents were asked to rate the

quality and value of services of the Economist Intelligence Unit, and its division, Economist Conferences. Again, our brands and related capabilities scored favourably in all categories.





# 12

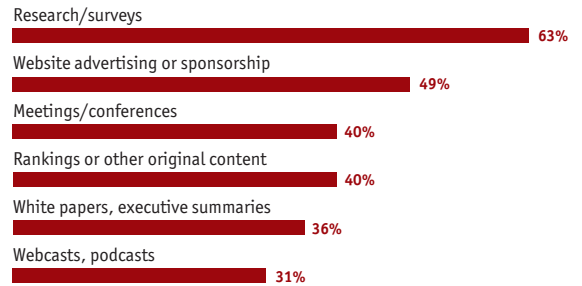
MEGATREND TWELVE

## The growing appeal of outsourcing

Outsourcing is already prominent among B2B marketers. The survey, however, shows that the next three years will see further growth in the number of organisations choosing this approach.

For example, over half of respondents (53%) say that they currently outsource research and surveys. However, that figure rises to 63% over the next three years. Similarly, while 26% of respondents say that they currently outsource conference organisation, that figure rises to 40% over the next three years—a whopping 54% increase.

### 12. Now and in the next three years—do you outsource the following?



### Outsourcing gaining popularity

	Today	In 3 years	% increase
Research/surveys	53%	63%	19%
Rankings/analysis/other content	29%	40%	38%
Meetings/conferences	26%	40%	54%
White papers/executive summaries/articles	23%	36%	57%

## Conclusion

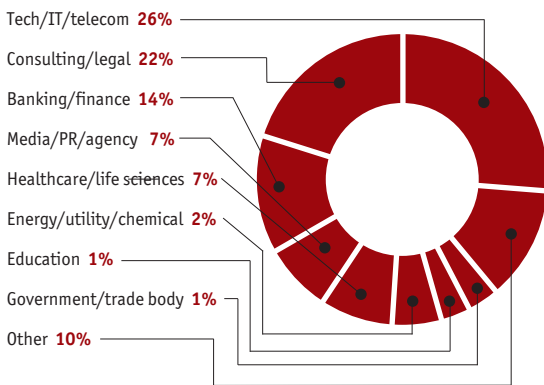
Stronger focus on ROI; greater integration of marketing and messaging; more precise targeting of market segments; deeper penetration of emerging markets; higher levels of outsourcing: the key findings of our survey demonstrate that B2B marketing is becoming increasingly sophisticated.

Moreover, we expect this sophistication to further increase as more companies expand their programmes to include new media tools, such as webcasts, podcasts, microsites and interactive forums.

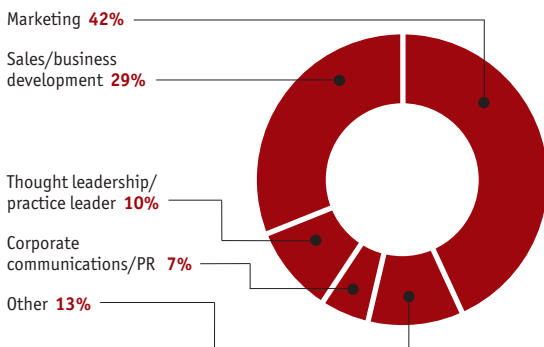
## Appendices Demographics

The preceding survey was executed in 2006 and completed by 136 companies, half of which were clients of the Economist Group. The demographic profiles of our respondents are as follows.

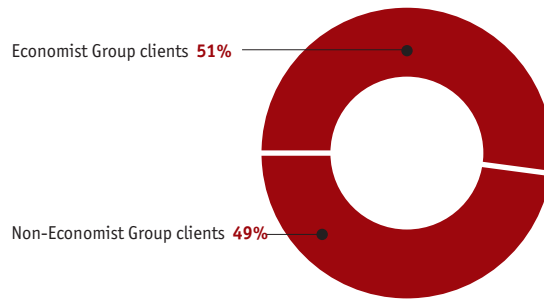
### What is your principle business activity?



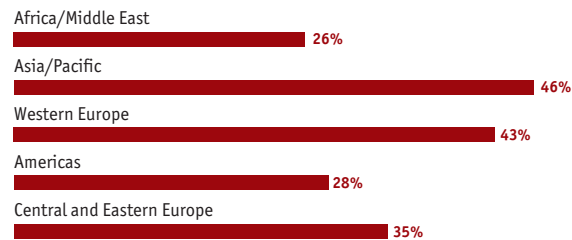
### What is your personal area of responsibility?



### Survey participants



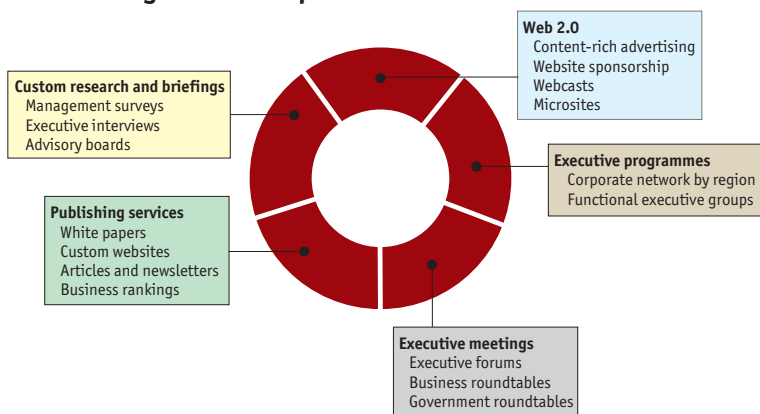
### For which region(s) of the world are you personally responsible?



## Partnering with the Economist Intelligence Unit to reach global executives

At the Economist Intelligence Unit, we believe the best way to reach executives is through thought leadership. Our multiple-media approach provides you with a highly effective way to engage with your target audience.

### 360° thought leadership



Our custom approach to thought leadership is unique in the business advisory market. We can draw on a range of media to position your organisation at the forefront of debate on critical management, industry or regional issue.

We value our partnerships with clients and offer complete sponsorship and advertising programmes that are flexible, high-profile and effective. And our research orientation ensures high interest from global opinion-leaders and the media.

■ **A brand that business leaders trust** The Economist Intelligence Unit is a leading provider of country, industry and management analysis. For nearly 60 years we have delivered vital business intelligence to influential decision-makers around the world. Our extensive global reach and unfettered independence make us a trusted and valuable resource for international companies, financial institutions and government agencies.

■ **Where global means global** The Economist Intelligence Unit is the world leader in global business analysis. Client programmes are enriched by our extensive local business knowledge, combined with an insightful international perspective. We employ 130 full-time country specialists and economists. Between them they speak 25 languages, and have a deep understanding of politics, economics, risk, industry and management issues. Our team is supported by a global network of over 500 expert contributors in over 200 countries.

■ **Unique access to senior executives** Our clients comprise over 5,000 organisations worldwide, with many individuals at the top of their fields. Executives come to us for analysis and insights they can't find elsewhere.

Over 1.5m business users are authorised to use our websites. There are executives who attend our 250 conferences and meetings throughout the world each year, or read our white papers or survey results, or the research we distribute through online partners like Bloomberg, LexisNexis and Thomson. We maintain a survey panel of over 20,000 executives globally. We also draw on The Economist Group's unique global database of 6m past and current clients, which includes all subscribers to The Economist.

■ **Working for you** We recognise that you have communications goals as distinctive as your business. So we create an integrated thought leadership programme aligned with your objectives.

Whether you want to reinforce your position as a thought leader in a particular field, benefit from association with our brand, or create networking opportunities with your target clients, we work with you to achieve your aims.



Whilst every effort has been taken to verify the accuracy of this information, The Economist Intelligence Unit Ltd. cannot accept any responsibility or liability for reliance by any person on this paper or any of the information, opinions or conclusions set out in the paper.

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